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Education, Energy and Environment Committee
Senate Bill 475
Maryland Prepaid College Trust Account Holder Testimony

Committee Members, thank you for reading my written testimony.

I'm Monica Heinlein and I haven't been able to access my son Connor's 529 Prepaid College Trust account for 10 months. Connor's a freshman at Towson University and I've had to borrow money to pay for his Fall and Spring semesters, even though I've been investing in the 529 Trust for the past 14 years.

Connor's full college savings funds have been locked down and inaccessible since the 529 Board put a hold on rollovers last April 2022 while they worked on a "fix" that they claimed was due to a calculation error. In January 2023, the Board's calculation "fix" was shared on the Maryland 529 website (not communicated directly to account holders). It retroactively changed our contracts and resulted in eradicating earnings that were previously applied to accounts prior to November 2021 and reported as FAFSA values on our 2021 annual account statements.

We need your help to remedy the harm and damage that the 529 Board's actions caused account holders. We need our full account values reinstated that were reported to us as the FAFSA value on our 2021 annual statements.

I'm a Maryland public school educator and single mother who has sacrificed and struggled financially for the past 15 years to save for both my boy's college education. I trusted the Trust. I expected Connor's full account value to be accessible when he was ready to go to college. I've lived in Maryland all my life, I'm a proud Bowie State University and University of Maryland Alum, and never in my wildest dreams, did I expect that a Maryland state agency would cause harm to families like myself, who've sacrificed to save for our children's college education.

To date, I've paid \$21,000 in principle for Connor's Prepaid Trust account. Based on the Board's erroneous decision to change to the earnings calculation on accounts opened prior to November 2021, Connor's account will lose approximately \$12,000 in earnings. For a single mother of two college age boys, this is like a punch in the gut and has caused me sleepless nights and a high level of stress.

My goal for opening Connor's college savings account in 2009 when he entered kindergarten was to prevent him from becoming part of the student loan debt crisis plaguing millions of Americans.

If this harmful change to earnings calculations isn't reversed, Connor may very well become a casualty of the student loan debt crisis.

I used to think that dissolving the Trust was a radical idea and perhaps unnecessary. As this nightmare continues for me and thousands of others, I'm beginning to believe that dissolution of the Trust might be the best course of action to provide families with the relief we desperately need, to move forward, and to heal.

Thank you for your time and help.

Sincerely,

Monica Heinlein